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Opening Statement Representative Todd R. Platts June 16, 2004

The Subcommittee has spent the past year and a half looking at financial management across government. Since the passage of the Chief Financial Officers Act of 1990, agencies have made great strides in financial management, as evidenced by the number of agencies that earn clean audit opinions. That being said, clean opinions are only one aspect of establishing sound business practices.

In a number of statutes, Congress has spoken clearly and unequivocally on the need for federal agencies to develop systems that routinely generate timely, accurate, and useful information – information that can be used to make daily management decisions. With such information, government leaders will be better positioned to invest resources wisely, reduce costs, oversee programs, and hold agency managers accountable. Generating this type of information takes more than just balancing the books or getting a clean audit opinion at the end of the fiscal year. This type of financial management involves a shift from data entry to data analysis and a strategic focus that affects all aspects of agency management. As agencies make this important shift in focus, many are hiring private-sector experts for a broad range of financial advice.

Today's hearing will focus on the consulting and systems integration services available to the Federal government and how those services can help agencies achieve sound business practices. This is a follow-up to a hearing the Subcommittee held last year where we heard from leading software vendors. Systems are a large part of the solution, and we gained an important perspective in hearing from software experts about their experience in the federal marketplace.

Today we will talk to the consultants who design and implement those systems. We will discuss best practices and how they can be applied government-wide and hear views on the changes needed in the agency management structure and the challenges unique to the Federal government.

As we know, there are a number of factors that impact the success or failure of a systems implementation. First and foremost, executive management must demonstrate a commitment to the project. User involvement, clear definitions of requirements, proper planning, and realistic expectations are also keys to success. Systems integrators play an

important role in addressing these concerns by coordinating the efforts of agency management and other stakeholders.

We appreciate the efforts and insights offered by our witnesses here today. We are honored to have George Crusier from IBM, David Halstead of the Bradson Corporation, Robin Lineberger representing BearingPoint, and Greg Pellegrino of Deloitte Consulting. Thank you for your participation today.